

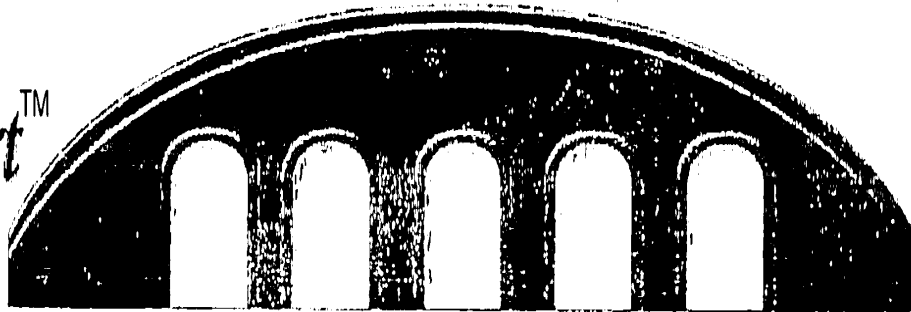


AgCert International

Data Management

SafeCert™

EnviroCert™



Assurance

*Animal
Welfare*

*Competitive
Advantage*

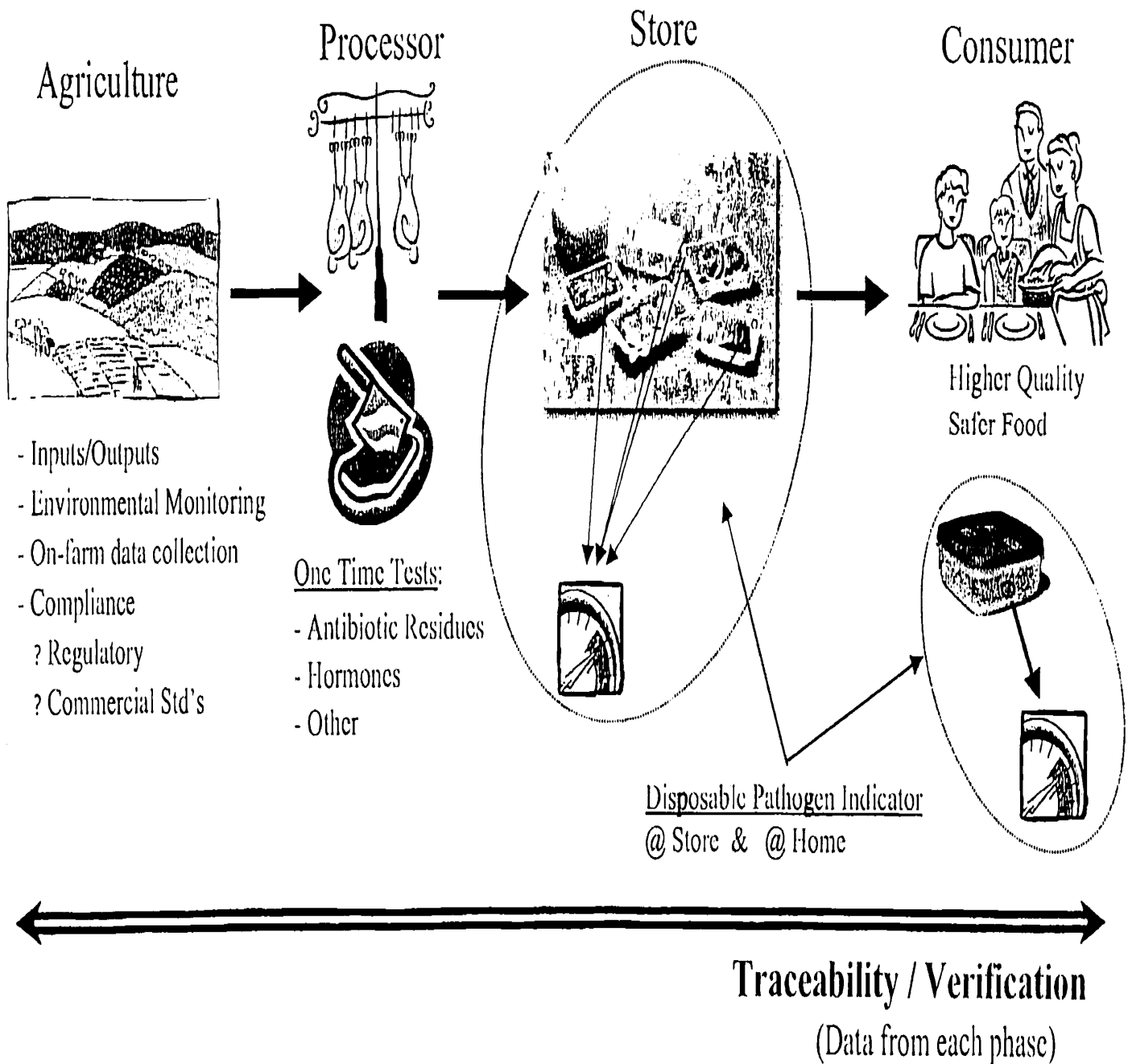
Certification

*Environmental
Compliance*

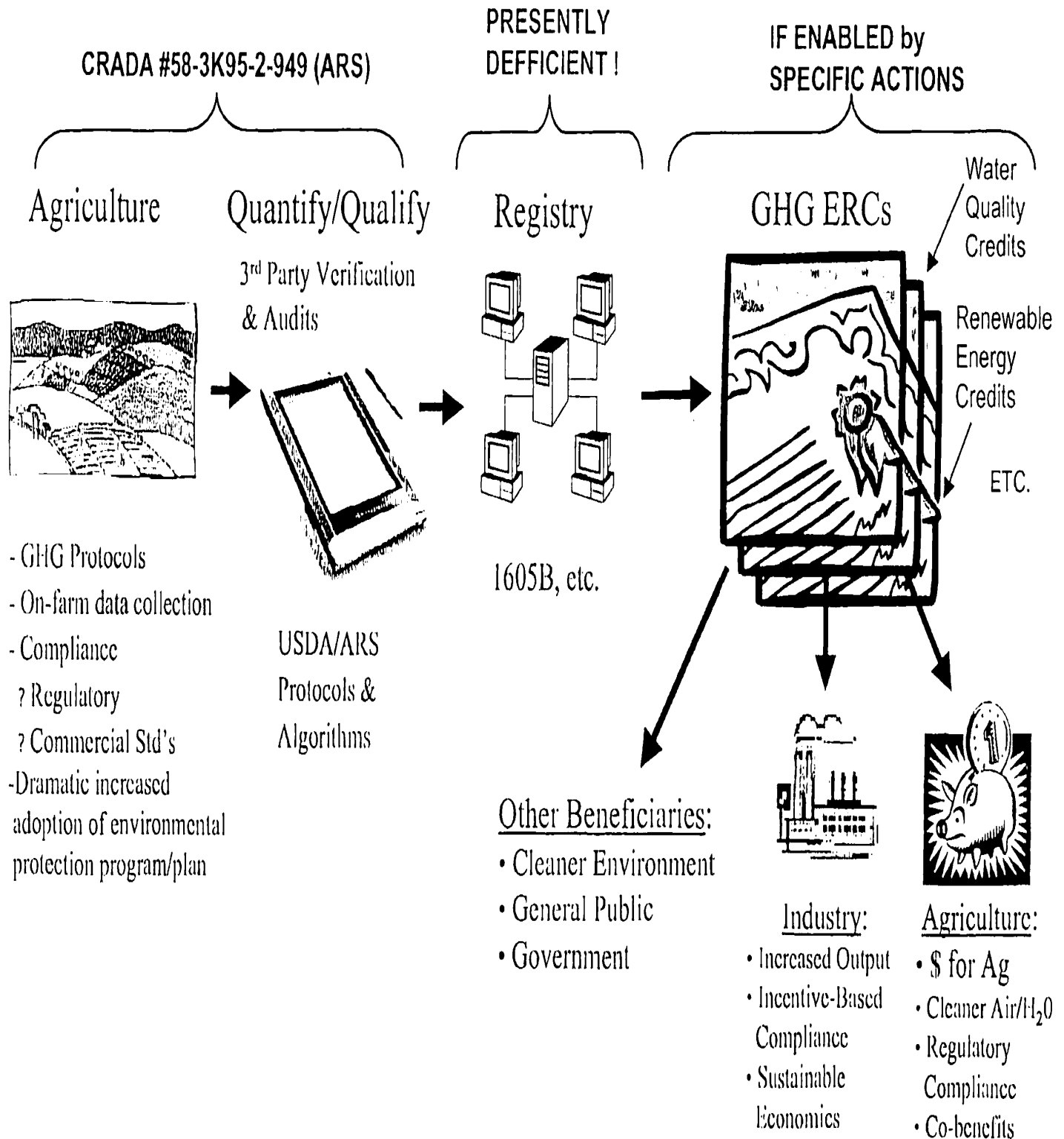


EXHIBIT E

Food Safety/Quality - SafeCert™



Environmental - CarbonCert™



CRADA

- CRADA 58-3K95-2-949, entitled "Development of Greenhouse Gas Algorithms for Agricultural Systems" between AgCert & ARS
- Phase 1:

Provides research, data and other resources to develop and evaluate methods and technology needed to standardize/certify the qualitative and quantitative value and volume of Greenhouse Gas (carbon dioxide, methane, and nitrous oxide) and/or equivalent compounds avoided, mitigated or sequestered through various agricultural production practices

CREATING THE SCIENCE
- Phase 2:

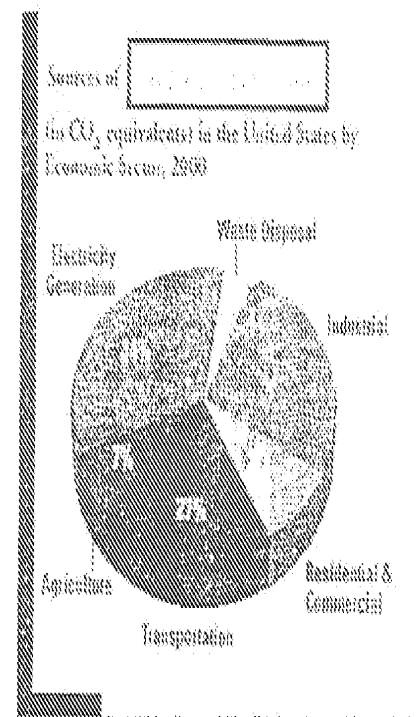
Undertakes a holistic examination of agricultural production systems to maximize both GHG emission reductions and various co-benefits (including cleaner air and water). Develops the procedures & guidelines for Whole Farm Agricultural Environmental Management Compliance Plan, utilizing the ARS-developed methods and technology.

CREATING APPLICATIONS
- CRADA addresses ALL agricultural verticals, sectors, and geographic locations

U.S. Agriculture and GHG Reductions

U.S. Agriculture Has TREMENDOUS Potential to Help Solve the Worldwide GHG Problem...

- Minimal Greenhouse Gas emitter ($\approx 7\%$)
- One of world's largest potential supplies of GHG reductions
 - Concentrated biomass (CAFOs)
 - Large arable landmass
 - Potential to realize GHG improvement from multiple practices within a system
 - Capable of generating a large, predictable, renewable supply – important to large buyers; reduces errors; minimizes risks

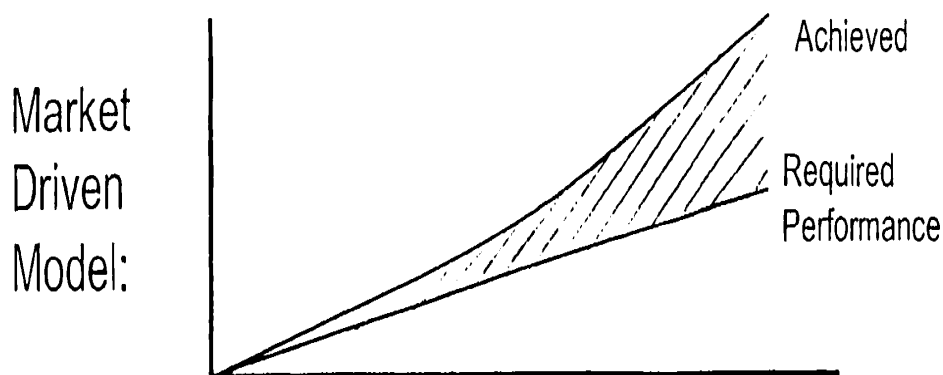


...U.S. Agriculture and GHG Reductions

(cont.)

U.S. Agriculture Has TREMENDOUS Potential to Help Solve the Worldwide GHG Problem...

- GHG driven production practice changes will have profound positive impact on environment (numerous co-benefits)
 - GHG emission reductions can become a significant new revenue source for Agriculture
 - Dramatically increased adoption of environmental protection program/plan
 - Measurable, verifiable data
 - Cleaner air & water



What Elements are Necessary to Create the "Gold Standard" Ag GHG ERC ?

HOW?

- | | |
|---|---------------|
| • Sound Science | CRADA |
| • Baseline(s) | USG |
| • Database: robust, transparent, geo-referenced | AgCert System |
| • Rigorous Quality Assurance/ISO | AgCert System |
| • Agriculture Incentives | |
| – Market driven | USDA |
| – Sustainable economics | |
| – Regulatory compliance | |
| • Reduced risk | |
| • Preferred loan/insurance rates | & |
| | AgCert |
| • ERC trading mechanisms | MISSING! |
| – Registry | |

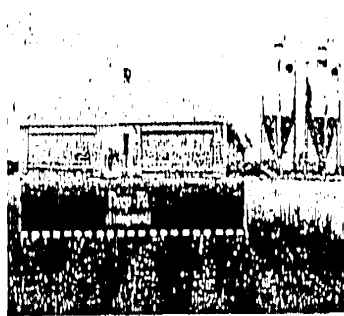
Progressive application of technologies & processes

Manure Management

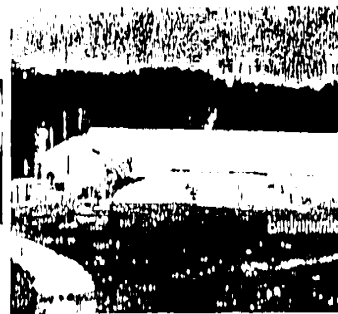
Open Air



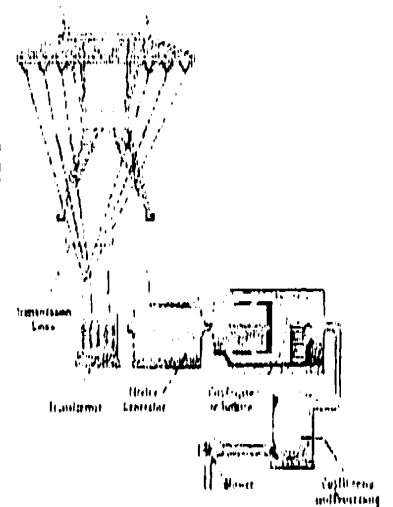
Contained Structure



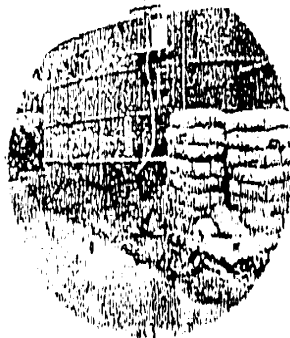
Digester



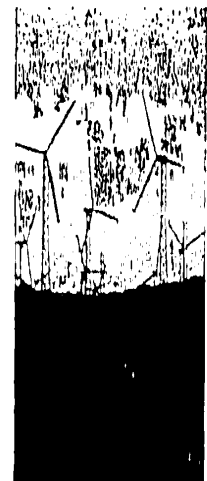
Electric Generation



OR



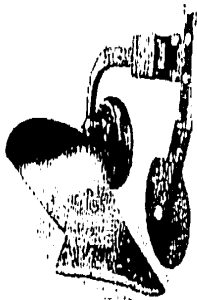
OR



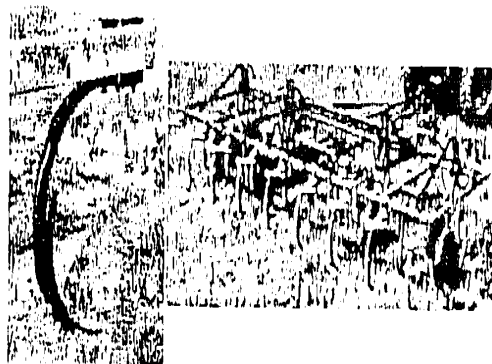
Progressive application of technologies & processes

Tillage

Invasive



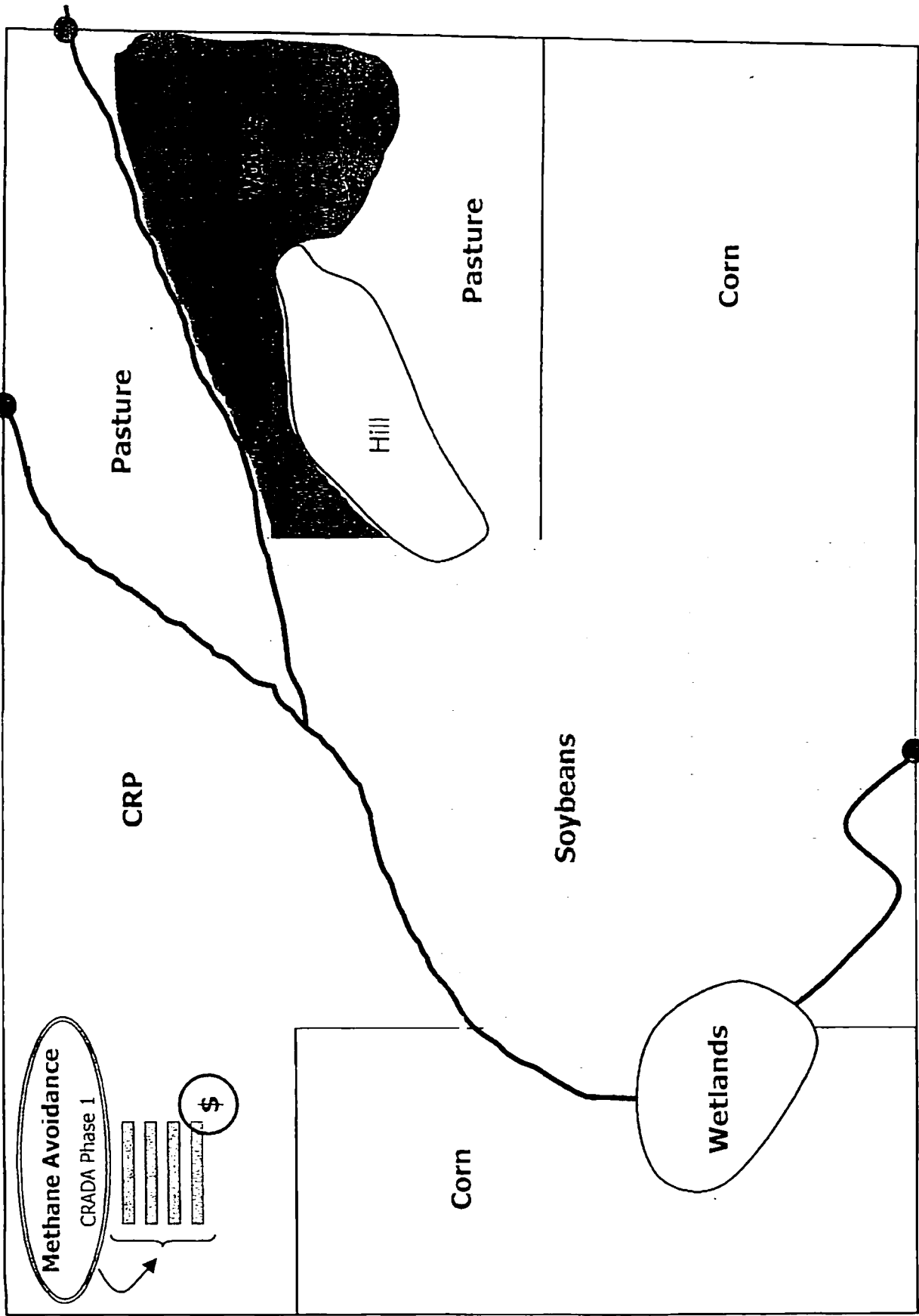
Minimum Till



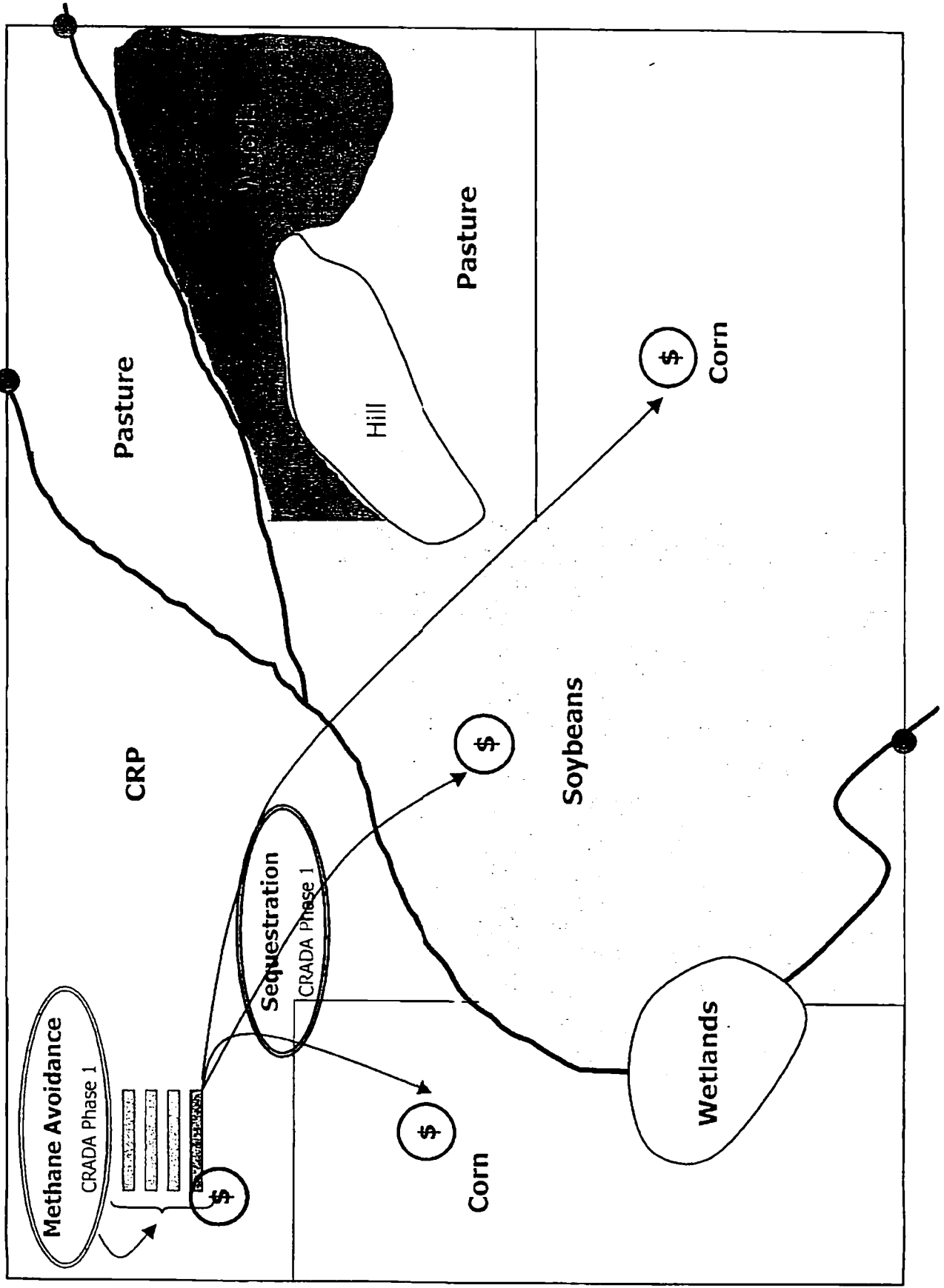
No Till



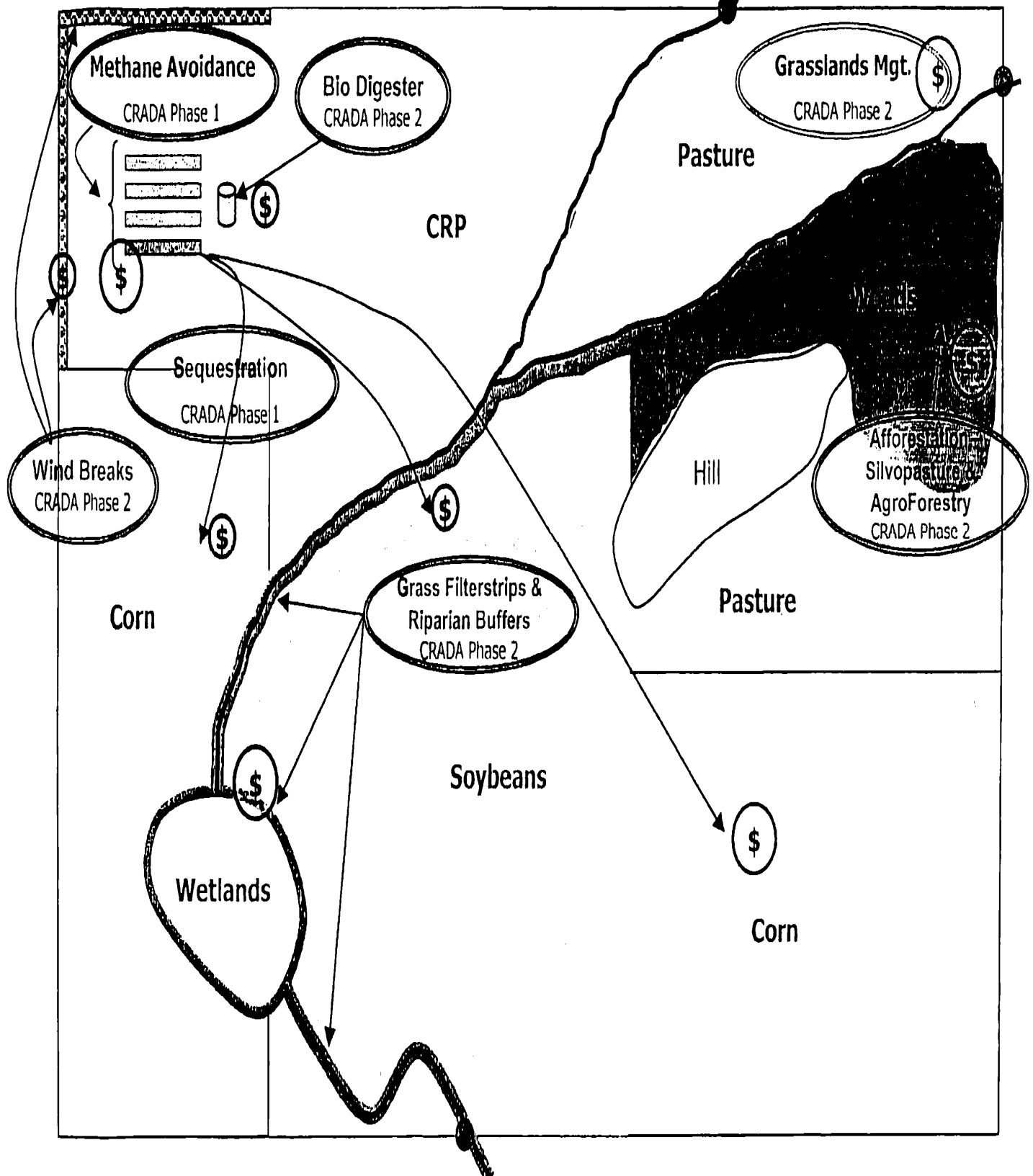
Phased Approach to GHG Emission Reductions



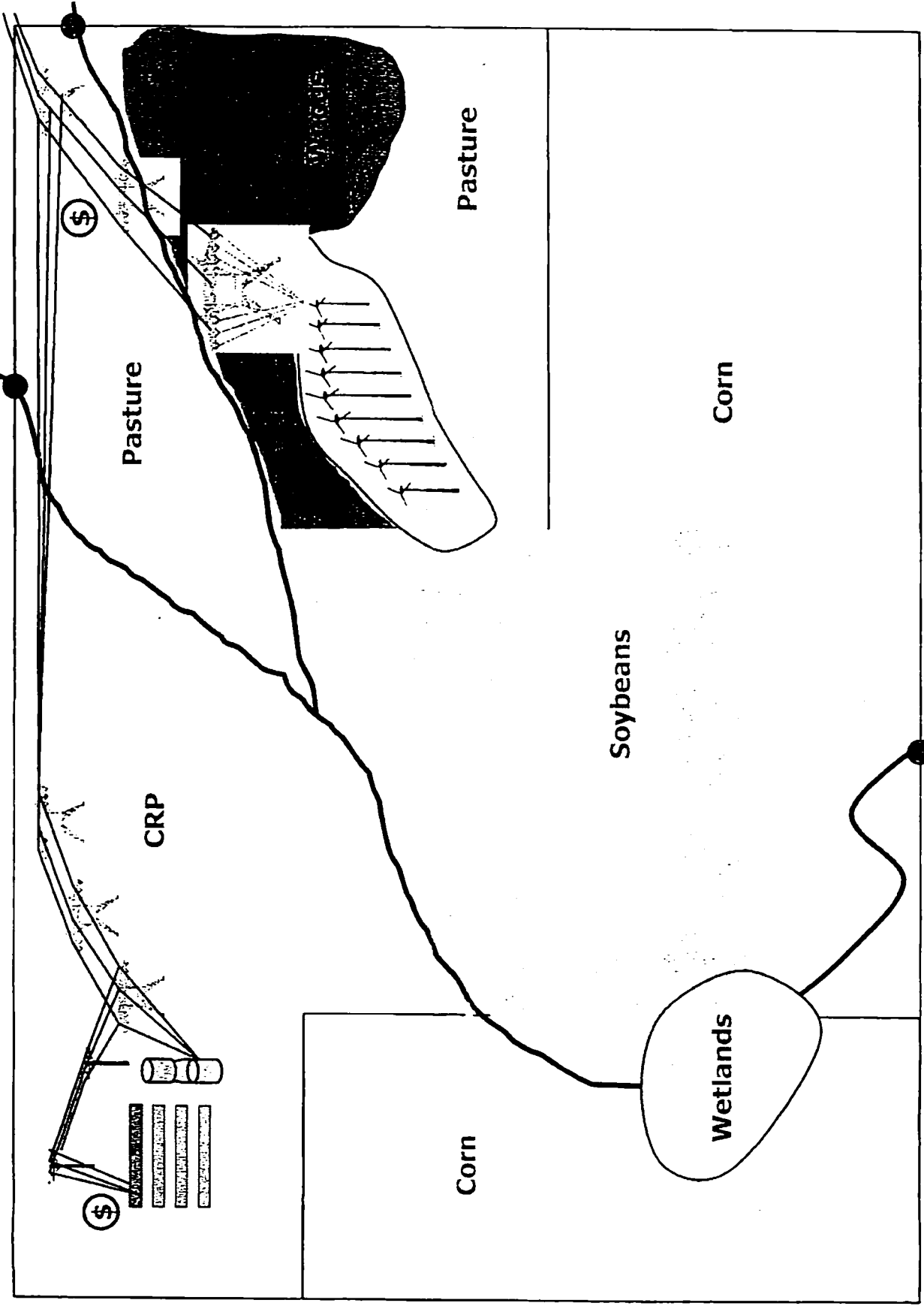
Phased Approach to GHG Emission Reductions



Phased Approach to GHG Emission Reductions



Green Power & GHG Emission Reductions



Calculations, 640 acre farm



Typical Farm Land Use, 640 acres, Corn Belt:

<u>Usage</u>	<u>Percentage</u>	<u>Acres</u>	
Crops	53.4%	341.76	➡ <div style="border: 1px solid black; padding: 5px; display: inline-block;">~ 260 cows ~ 5630 pigs</div>
CRP	6.6%	42.24	
Pasture	7.0%	44.8	
Woodlot	19.0%	121.6	
Other use	14.0%	89.6	(farmstead, wetlands, etc.)

Major Land Use by Region 1997 USDA

➡ A dairy milking 900 cows produces 47,887 tons of manure

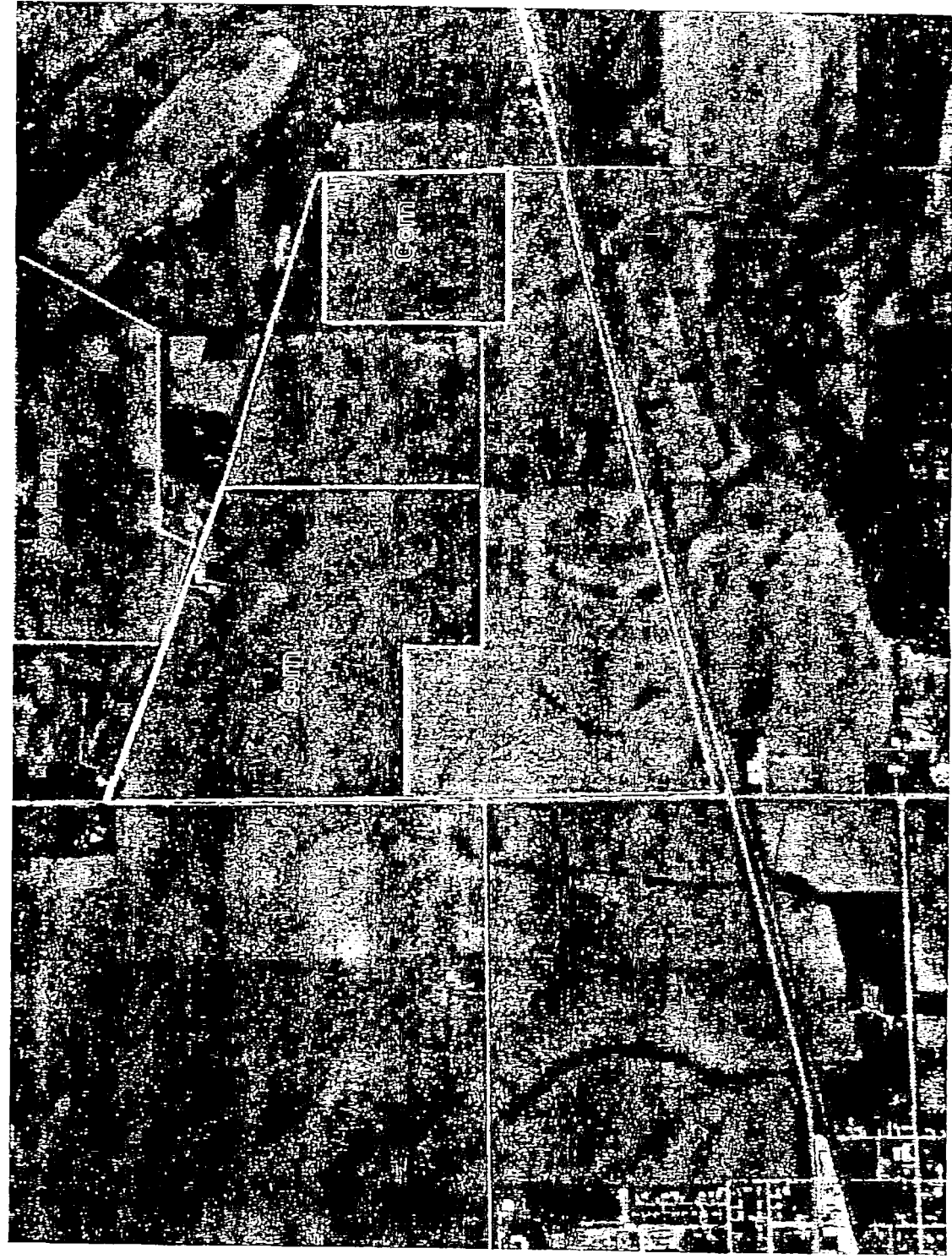
➡ 175 pounds of N applied per acre = 1.314 acres per cow

➡ @ 3,000 gallons/acre application rate, 1 acre = 16.47 pigs

USDA-NRCS Agricultural Waste Management Field Handbook, Tables 4.4, 4.5, and Figure 4-1

Design and Management of Anaerobic Lagoons in Iowa for Animal Manure Storage and Treatment

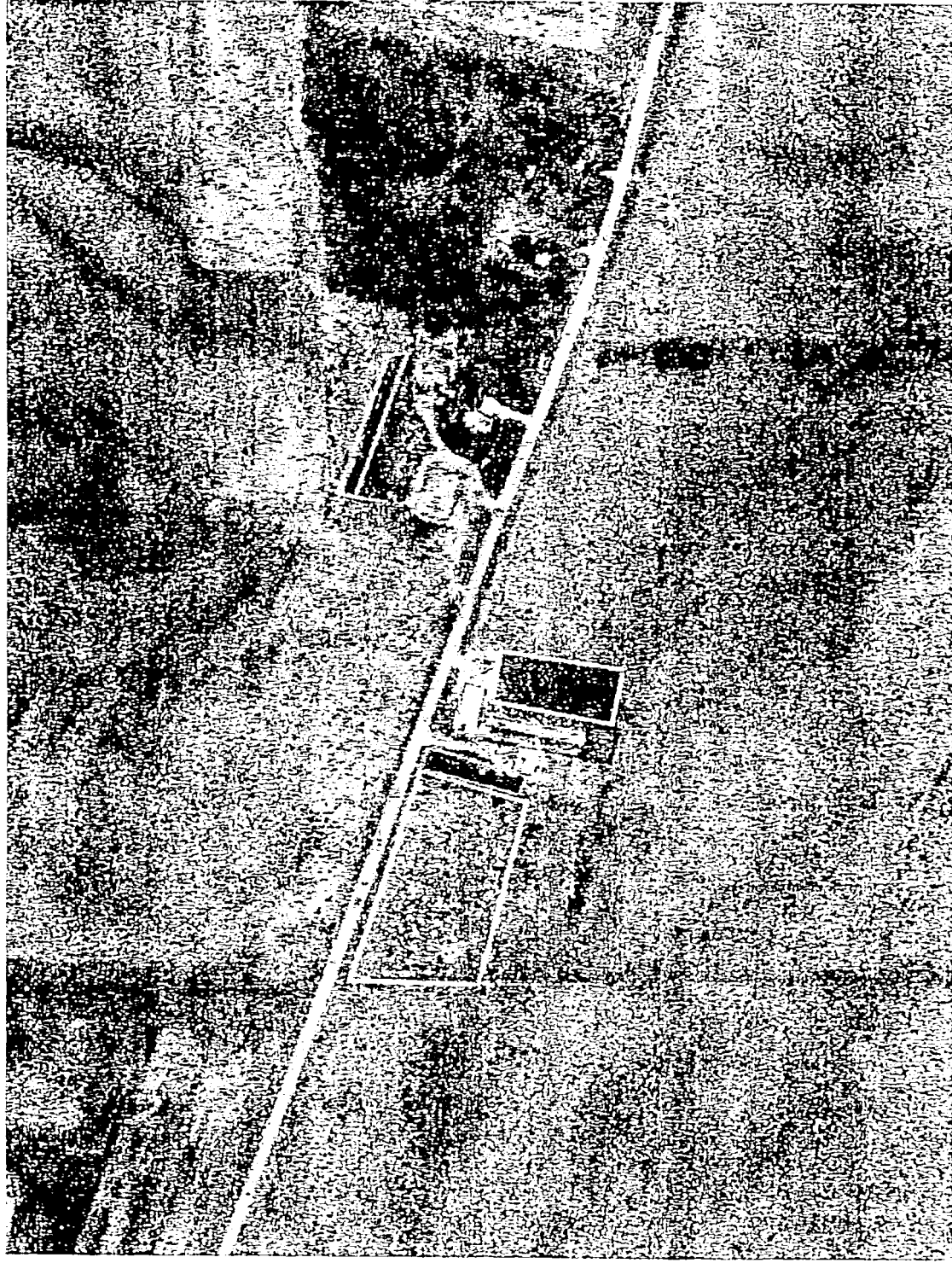
Aerial Georeferenced Farm Data



= CORN
 GREEN = SOYBEANS

LEGEND:

Aerial Georeferenced Farm Data



LEGEND:

GREEN = WINDBREAKS	BLUE = DEEP PIT WASTE DISPOSAL
ANIMAL PRODUCTION	CROP & ANIMAL FACILITIES

Cost Share and Technical Assistance: Possible Sources



FARM BILL 2002 WHAT'S IN IT FOR YOU



ALLEY CROPPING AND BRUSH MANAGEMENT TERRACE FENCING POND COMPOSTING KIERF ROTATION CONSTRUCTED			
Conservation Program	Highly erodible cropland (the best farm plan) is in the 6 most erodible parts of the field. (RLEP)	10-15 years	50%
Wetlands Reserve Program (WRP)	Wetlands are lands adjacent to navigable water bodies. Wetlands are lands that are not suitable for other uses.	10 or 20 years; permanent	50-100%
Grassland Reserve Program (GRP)	Private grassland adjacent to public lands. Grassland is land that has been used for grazing and is suitable for other uses.	10, 15, 20, or 30 years; permanent	50-100%
Wildlife Habitat Incentives Program (WHIP)	Private lands that are adjacent to public lands. WHIP is a program that provides incentives for landowners to create wildlife habitat.	6-15 years	50-100%
Environmental Quality Incentives Program (EQIP)	All private lands that are adjacent to public lands. EQIP is a program that provides incentives for landowners to create wildlife habitat.	10-15 years	50-100%
Conservation Program (CSP)	All private lands that are adjacent to public lands. CSP is a program that provides incentives for landowners to create wildlife habitat.	10-15 years	50-100%
Forest Land Enhancement Program (FLEP)	All private lands that are adjacent to public lands. FLEP is a program that provides incentives for landowners to create wildlife habitat.	10-15 years	50-100%
Private Land Conservation Program (PLCP)	All private lands that are adjacent to public lands. PLCP is a program that provides incentives for landowners to create wildlife habitat.	10-15 years	50-100%

• Other Federal Programs: AgSTAR, Ruminant Livestock Efficiency Program (RLEP), etc.

• State Programs (e.g.: Calif. dairy generator funding sb16x)

• Local/municipal programs (especially watershed related)



Wildlife Management Institute/NRCS, 1/1/02

Quality Assurance

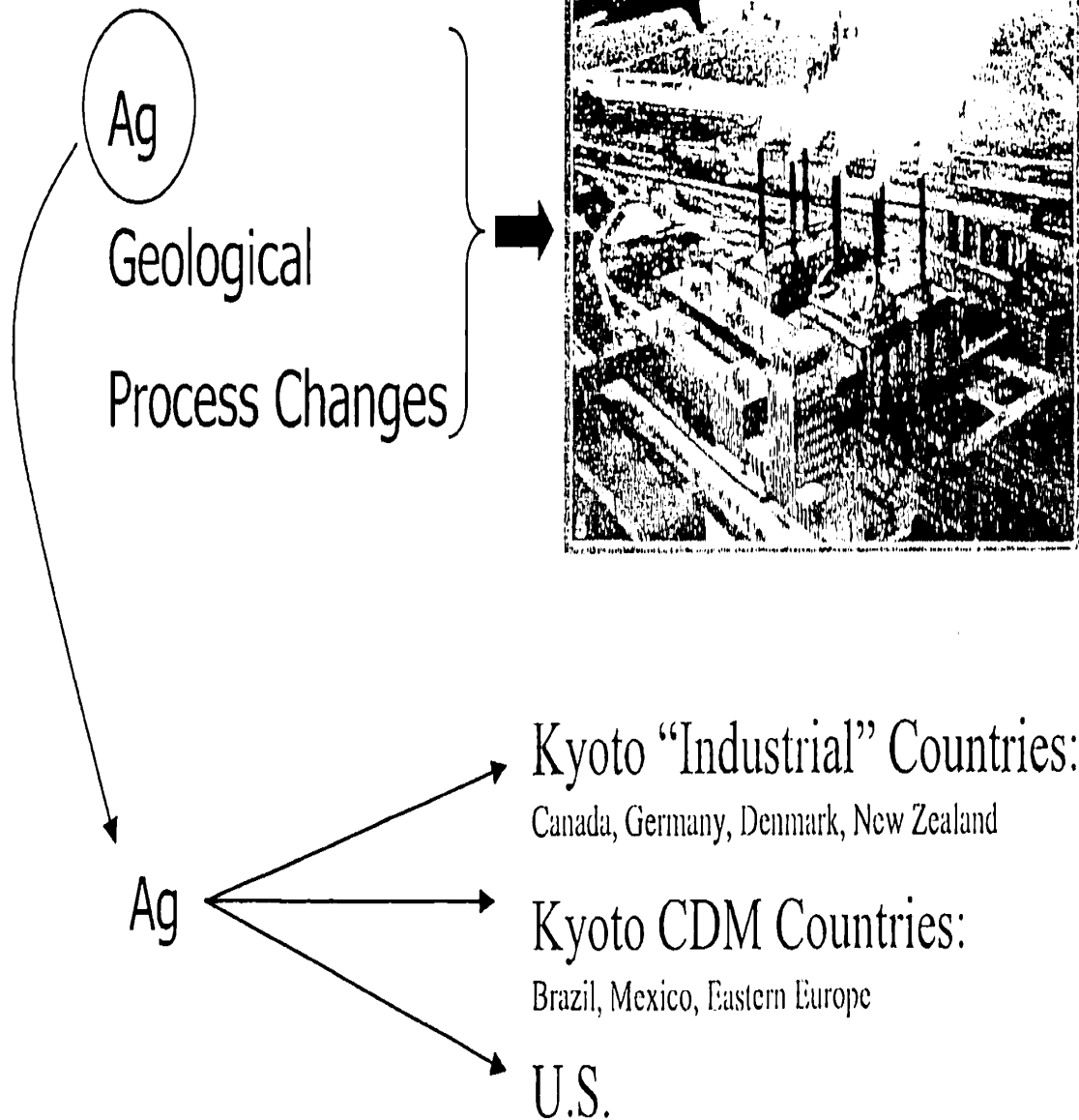


- Essential component of Emission Reduction Credit (ERC) “quality” equation
- AgCert’s system establishes the “Gold Standard”
 - Built upon ISO platform
 - Uses independent assessors/auditors
 - Strong underlying qualifications (CCA, Environmental Eng’s, etc.)
 - ANSI and/or ISO certified
 - Rigorously trained on AgCert/USDA protocols
 - Re-certified annually
 - Multiple independent audit steps
 - Data collection will enable GPS/time/date stamping
 - Accommodates (optional) Customer Requested audits
- *Most striking opportunity to differentiate Ag ERCs from other sources*

Ag ERCs vs. Other ERCs



Different ERC Sources:



We need to enable U.S. Ag to sell into ALL markets!

Ag ERCs vs. Other ERCs



AgCert International LLC Emission Reduction Credit Sources Comparison Matrix

Attributes/Sources	AgCert's EnviroCert		Geological Sequestration			Renewable Energy			Forestry	
	Avoidance	Sequestration	Enhanced Oil Recovery	Deep Ocean Injection	Direct Injection	Biomass	Hydro	Wind Turbines	Afforestation	Ag Forestry
Government Approved Protocols	✓	✓				✓			✓	✓
Third Party Verification	✓	✓				✓	✓	✓	✓	✓
Large Available Supply	✓	✓	✓	✓	✓	✓		✓	✓	✓
Renewable Supply	✓	✓	✓	✓	✓	✓	✓	✓		
Measurable Science	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Uniformity of Supply	✓	✓	?	✓	✓	✓	✓	✓	✓	✓
Meets Additional Requirements	✓	✓	??	✓	✓	✓	✓	✓	✓	✓
Permanence	✓	?	??	??	??	✓	✓	✓	?	?
Environmental Co-Benefits*	✓	✓				✓	✓	✓	✓	✓
Unintended Consequences			??	??	??					

Definitions:

AgCert's EnviroCert Protocols:

Avoidance

Methane avoidance projects involve changing manure handling/containment practices to avoid the (normal) production of methane. Practice change examples include changing from uncovered lagoons to contained storage technologies; and/or using anaerobic digers.

Sequestration

Sequestration projects involve capturing and storing CO₂ below the agricultural land preventing it from being released into the atmosphere for a specified period of time.

Geological Sequestration:

Enhanced Oil Recovery

Enhanced oil recovery projects involve capturing CO₂ that would otherwise be vented to the atmosphere for injection into crude production fields to enhance oil recovery.

Direct Injection

Direct injection projects involve the (re)injection and long-term underground storage of CO₂ in underground reservoirs.

Deep Ocean Injection

Deep ocean injection projects involve injecting CO₂ into the deep ocean (approximately 10,000 feet) and allowing it to dissolve in the ocean water.

Renewable Energy:

Biomass

Biomass projects involve switching from a more GHG intensive fuel to biomass. Biomass can include agricultural and forestry wastes or crops and trees grown for biomass.

Hydro

Hydro projects involve switching from a more GHG intensive fuel to hydro.

Wind

Wind projects involve switching from a more GHG intensive fuel to wind.

Forestry:

Afforestation

Afforestation projects are the conversion of non-forest to forest on lands previously in a non-forest use.

Ag Forestry

Ag Forestry projects involve commercial reforestation efforts.

* See Co-Benefit Comparison

Ag ERCs vs. Other ERCs



AgCert International LLC Emission Reduction Credit Sources Co-Benefit Comparison Matrix

Co-Benefits/Sources	AgCert's EnviroCert		Geological Sequestration			Renewable Energy			Forestry	
	Avoidance	Sequestration	Enhanced Oil Recovery	Deep Ocean Injection	Direct Injection	Biomass	Hydro	Wind Turbines	Afforestation	Ag Forestry
Cleaner Air	✓	✓				✓	✓	✓	✓	✓
Cleaner Water	✓	✓				✓			✓	✓
Revenue to Agriculture	✓	✓				✓		✓	✓	✓
Reduce Use of Petro-Based Fertilizer	✓	✓								
Increase Regulatory Compliance	✓	✓				✓			✓	✓
Renewable Energy Potential	✓	✓				✓	✓	✓		
USDA Royalties	✓	✓				✓		✓	✓	✓
Successful Technology Transfer	✓	✓				✓		✓	✓	✓
Potential Decrease in Farm Subsidies	✓	✓				✓		✓	✓	✓
Dramatically Increase Adoption of Environmental Protection	✓	✓				✓				
Reduce Government Enforcement Costs	✓	✓				✓				
U.S. Leadership	✓	✓				✓	✓	✓		

Definitions:

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Hydro projects involve switching from a more GHG intensive fuel to hydro.

Wind

Wind projects involve switching from a more GHG intensive fuel to wind.

Forestry:

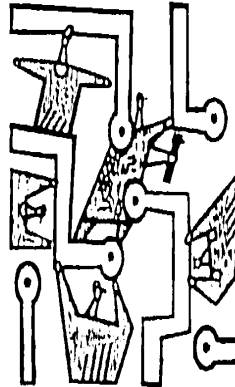
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The Market



Early GHG trades were a rodeo – most trades were more concerned with generating publicity than creating actual GHG benefit.

Today's trades are complex - based upon science, but with no standard of performance, varied protocols and a wide range of differing values for GHG.

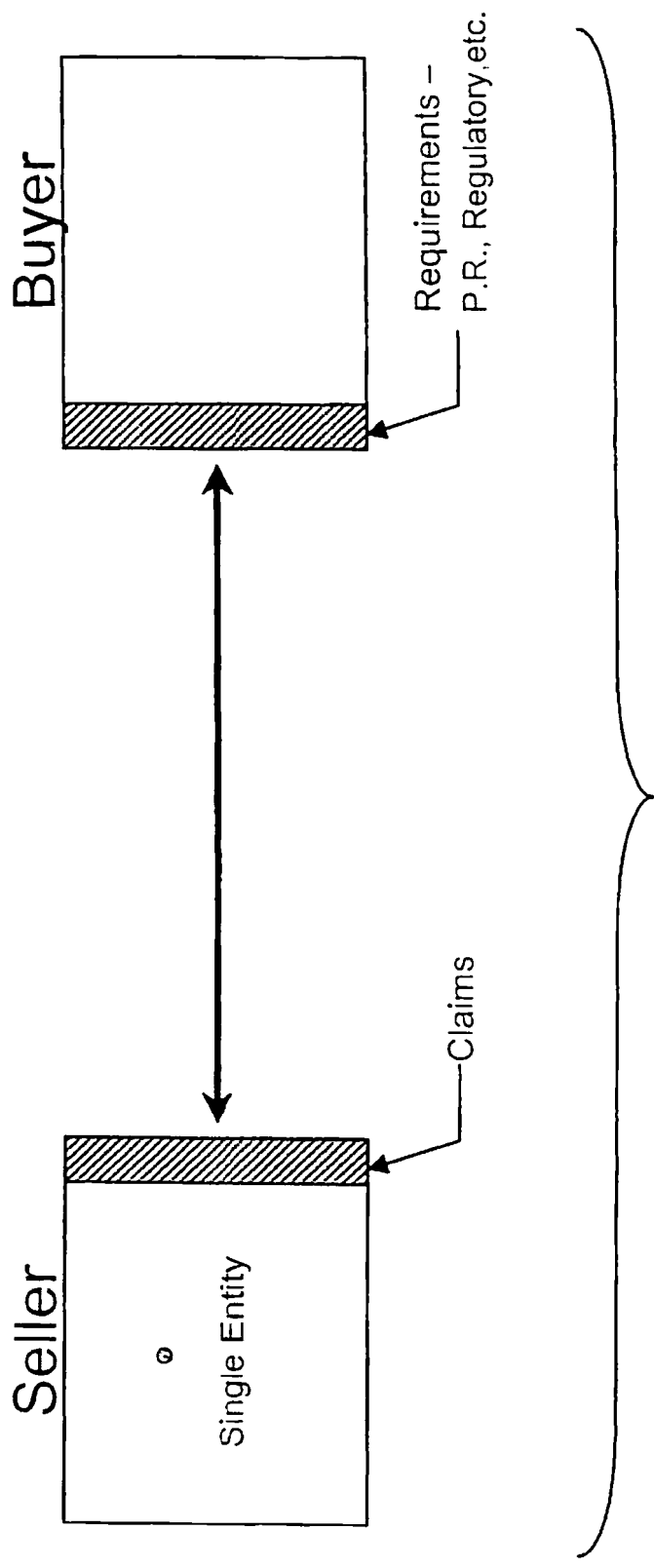
Tomorrow AgCert will provide **government-derived** standards of performance & protocols, which will add real value to the GHG market and will enable greater GHG benefits.

Before

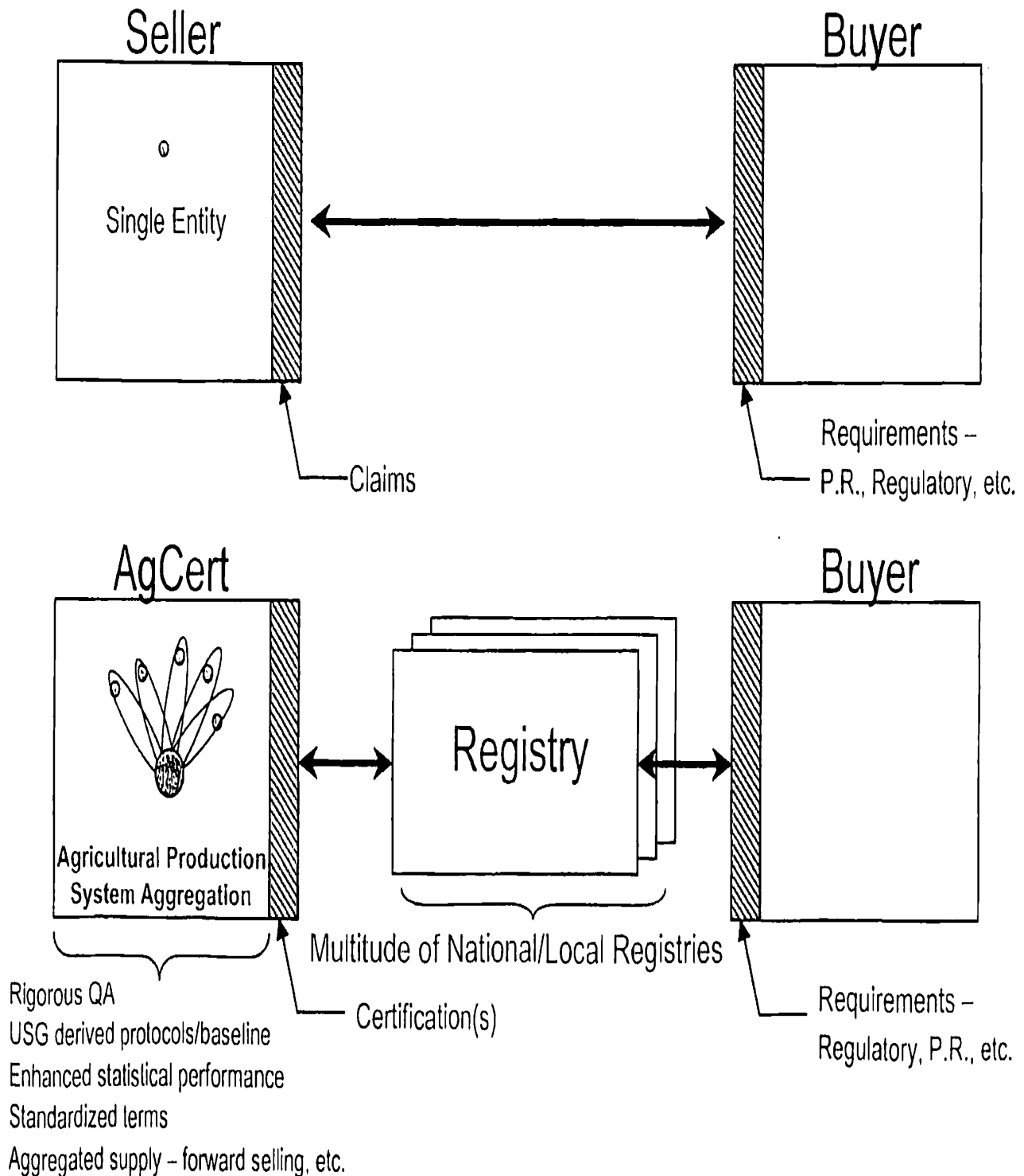
Now

The Future

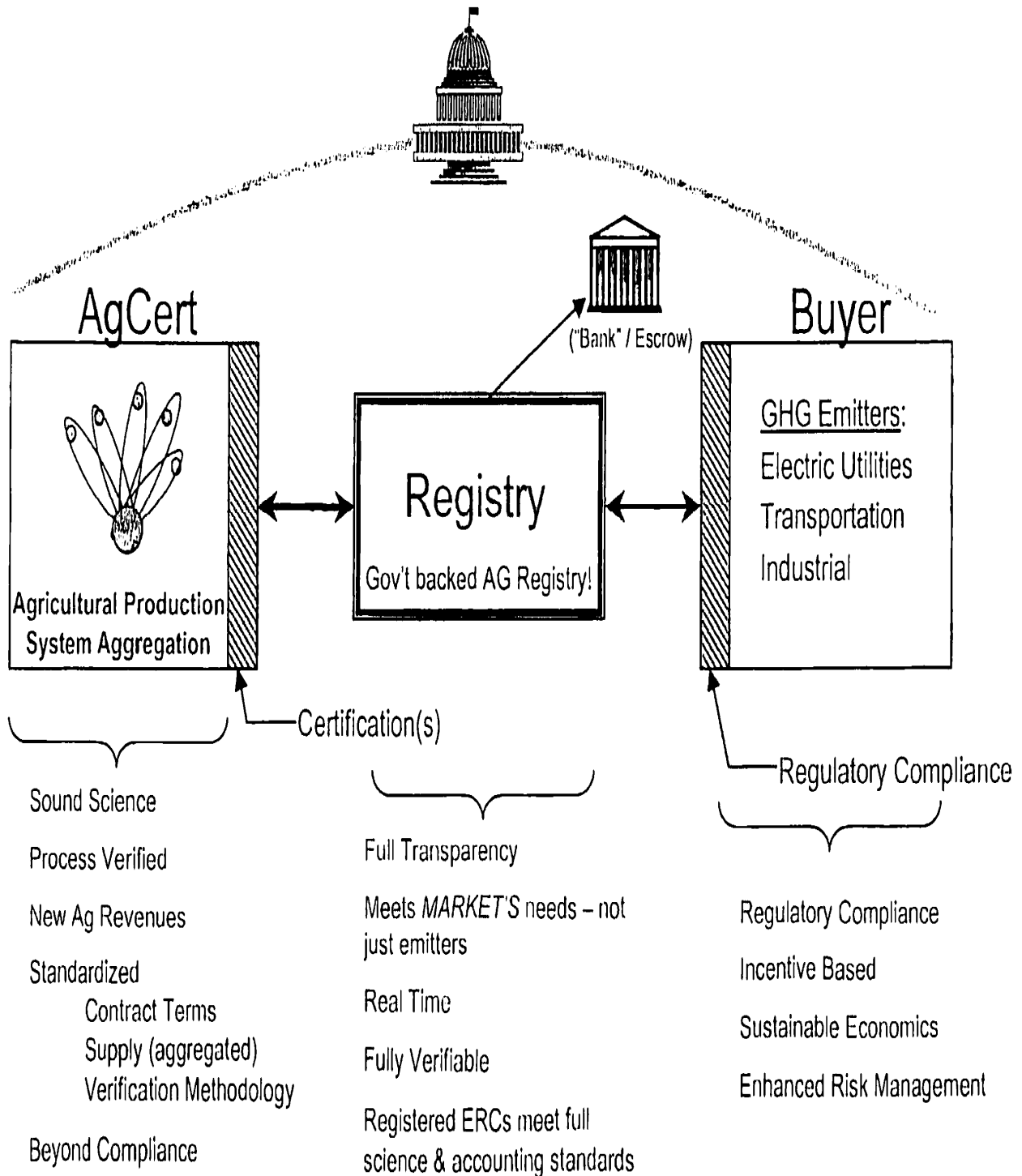
The Market...In the Past



The Market...Today



The Market ...Tomorrow



20,000 Metric Tons CO₂e

Created Pursuant to CRADA NO. 58-3K95-2-949

Serial NO. 1998-5002-DPMS-3626

1998-5003-DPMS-4441

1998-5004-DPMS-2151

1998-5006-DPMS-3870

1998-5007-DPMS-3010

1998-5011-DPMS-2902

***** CERTIFICATE *****

Twenty Thousand Metric Tons
Carbon Dioxide Equivalent Emission Reduction



For the benefit of Privet, LLC.

CO₂e Source: Methane Avoidance

AgCert International LLC

Alan Tank
CEO

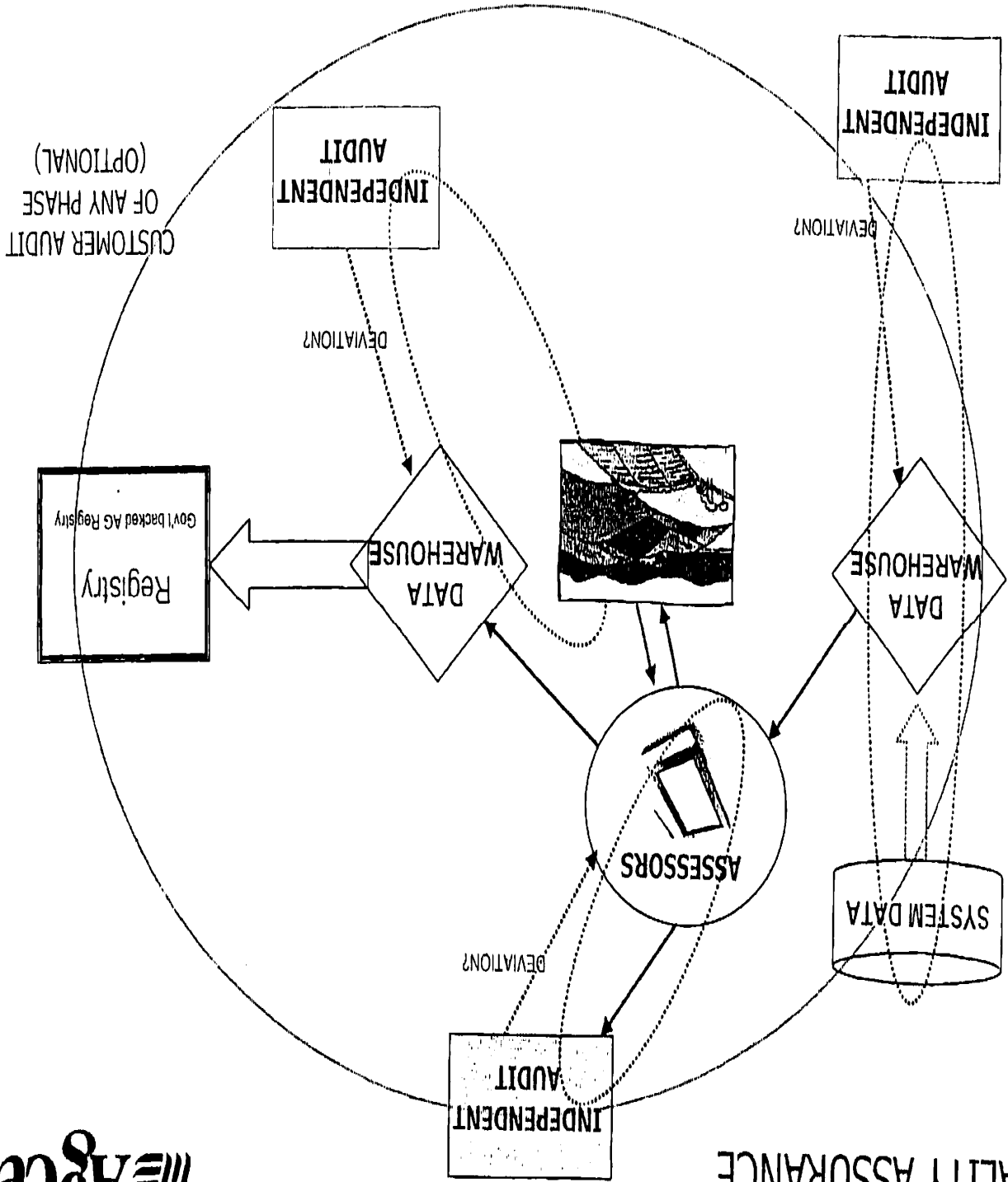
December 6, 2002

----- Transfer Restrictions on Reverse Side of Certificate -----

How Do We Capture This Opportunity for Ag?

- NRCS Advocacy
- Prioritization of CS & TA
- USG Backed Ag Registry
- Science/economic based accounting system (registration of ERCs requires government approved protocols/methodologies)
- DISCUSSION

QUALITY ASSURANCE

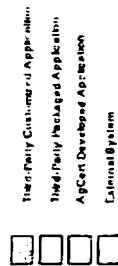


(OPTIONAL)
CUSTOMER AUDIT
OF ANY PHASE

Gov't backed AG Registry

QA PGM (Ex: ISO)





January 2, 2003